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SUBJECT: INDIA TO EXTEND DUAL CITIZENSHIP TO MOST FORMER CITIZENS

1. (U) In a January 7 speech in Mumbai, Prime Minister Manmohan Singh said the GOI would extend Indian citizenship to all Indians who left the country after 1950 and had been naturalized in another country. Until recently, Indians lost their citizenship if they were naturalized elsewhere. Singh made the announcement during his keynote speech to the third Pravasi Bharatiya Divas, an annual gathering of expatriate Indians organized by the Federation of Indian Chambers of Commerce and Industry (FICCI). About 1,500 visitors of Indian origin attended the conference, including several hundred from the United States.

Previous Law Granted Dual Citizenship to Only 16 Countries

2. (U) The Indian Parliament passed a law in 2004 that promised citizenship to Indian emigrants who had been naturalized in any of 16 countries, including the U.S. Implementation of the law had been slow and bureaucratic, however. The first candidate was naturalized in November, 2004. Many eligible candidates had complained of the bureaucratic hurdles in the process, while others who are now citizens of countries not covered by the law had complained at being left out.

Most Pakistan, Bangladesh Citizens Will Not Benefit

3. (U) Singh said he had now ordered the pertinent GOI ministries to prepare, in a timely fashion, a policy for extending citizenship to all Indians who emigrated after January 26, 1950, regardless of their current citizenship, thereby broadening the impact of the Parliamentary resolution. The cut-off date was the day that the Republic of India was formally established. By restricting eligibility to emigrants who left India after this date, most citizens of Pakistan and Bangladesh born in what is now India but who fled in the first turbulent years following partition will be excluded.

Previous Citizenship Law's Restrictions

4. (U) It is unclear whether several restrictions of the 2004 law would be carried over into any new rules that the GOI intends to promulgate. The 2004 law, while granting citizenship, did not convey voting rights to re-naturalized citizens, nor did it allow them to run for political office or be employed in defense services. Singh made no mention of these provisions in his speech. He only said that India will restrict dual citizenship to citizens of those countries where it is already permitted. The Indian government estimates that about 25 million persons born in India are now living in 110 countries around the globe. The number of U.S. citizens with Indian origins has been estimated at about 2 million.

Initial Reactions

5. (U) Initial reactions to Singh's announcement were positive. Visa issues were the first to be mentioned in the media. Most commentators noted that the rules would make it easier for many Indians living abroad to travel to India. (Note: Currently former Indian citizens, like other foreigners, need visas to travel to India. Applying for a visa can be a time-consuming and frustrating experience at Indian embassies and consulates abroad. End note.) Dual citizenship will broaden the pool of potential investors in the select number of industries where foreign engagement is still limited. Dual citizens should also benefit from provisions that prevent foreigners from purchasing property and engaging in real estate development. Several AmCit businessmen of Indian origin who were present at the conference told PolEconChief that they wanted more clarity before deciding to apply for citizenship. One businessman said he wanted to know the tax implications of the new rules.

Dual Citizenship and India's Modernization Efforts

6. (U) Singh made it clear that the GOI hopes that newly re-naturalized citizens would use the benefits of dual citizenship to invest in India. He explicitly mentioned his aim of attracting \$150 billion in foreign investment over the next ten years for infrastructure projects, and said that Indians residing abroad could contribute to that goal. He said he also hoped that the new citizens would bring know-how and experience gathered abroad back to the land of their birth. He encouraged

his listeners to invest in schools or hospitals in their home cities or villages. He tried to show that his government intended to treat non-resident Indians and former citizens differently than Indian governments in the past had done. He said he was "painfully aware" that promises to provide dual citizenship were not being implemented properly. He said he understood the impatience that many non-resident Indians had with the GOI, and he acknowledged that all Indian governments, including his own, had taken far too much time to address the concerns of Indians living abroad. He said the application process would be simplified and made more transparent.

Comment

17. (U) The Manmohan Singh announcement reflects the rapidly evolving Indian view of its ethnic diaspora, which in turn reflects New Delhi's growing level of comfort with India's international connections. In the past, Indian emigrants had often been treated with a mixture of scorn and envy by various Indian governments and by Indian society at large. The Prime Minister's message was that India needs to welcome its former citizens and utilize their talents and resources as the country modernizes. It remains to be seen whether policy changes will come as quickly as Singh indicated. All conference participants we spoke with applauded Singh's initiative, but some, citing their own experience of dealing with the Indian bureaucracy in business matters, were skeptical that rules could be implemented as quickly as the Prime Minister had indicated. In any case dual citizenship, once properly enacted, will no doubt have the medium- to long-term effect that Singh desires.

18. (U) Embassy New Delhi cleared this cable.

SIMMONS